

## *January 2003 TAX FACTS*

### SUMMARY OF GENERAL FUND REVENUES

	<u>January 2003</u>	Fiscal Year <u>Total</u>
<b>Individual Income Tax</b>		
Net Collections	\$230,680,405	\$1,209,218,085
Percent Change	(10.1%)	(5.5%)
<b>Corporate Income Tax</b>		
Net Collections	\$12,733,450	\$164,701,553
Percent Change	94.1%	(6.0%)
<b>Transaction Privilege, Severance &amp; Use Taxes</b>		
Net Collections	\$296,537,693	\$1,778,534,720
Change	5.2%	2.2%
<b>Total Big Three Tax Types</b>		
Net Collections	\$539,951,548	\$3,152,454,358
Percent Change	(0.9%)	(1.3%)



# TAX FACTS

January 2003

## INDIVIDUAL INCOME TAX

### Individual Income Tax Receipts

	January 2003	January 2002	% Change
Gross Collections	\$73,610,601	\$97,484,872	(24.5)
Withholding	208,974,170	201,771,003	3.6
Refunds	(16,024,445)	(7,565,530)	111.8
Urban Revenue Sharing	(35,879,921)	(35,156,381)	2.1
<b>Net Collections</b>	<b>\$230,680,405</b>	<b>\$256,533,964</b>	(10.1)

  

	Fiscal Year Total (02/03)	Fiscal Year Total (01/02)	% Change
Gross Collections	\$238,664,611	\$267,432,344	(10.8)
Withholding	1,340,358,532	1,368,369,705	(2.0)
Refunds	(118,645,611)	(110,120,032)	7.8
Urban Revenue Sharing	(251,159,447)	(246,094,667)	2.1
<b>Net Collections</b>	<b>\$1,209,218,085</b>	<b>\$1,279,587,350</b>	(5.5)

Included in the refund amounts above are refunds relating to the alternative fuel vehicle income tax credit. After offsetting \$10,948 in tax liability, refunds for this credit totaled \$108,200. This amount does not include withholding and estimated payments returned to taxpayers because their liability was covered by the alternative fuel vehicle credit.

### Individual Income Tax Document Count

In calendar year 2002, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	42,819	1,484,601	81,372	105,925	6	43,756	289,858	14,887	201,823	2,702	34	2,267,783
%	1.9	65.5	3.6	4.7	0.0	1.9	12.8	0.7	8.9	0.1	0.0	

In calendar year 2003 the number of returns filed, and processed, are as follows:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	80	22,623	228	296	0	33	7,316	0	1,526	13	0	32,115
%	0.2	70.4	0.7	0.9	0.0	0.1	22.8	0.0	4.8	0.0	0.0	

The 32,115 returns, representing current and prior tax years, filed through January 2003 represents an increase of 90.6% over the January returns filed during the same period of time in 2002. For tax year 2002 filed in 2003, 26,026 returns have been filed, a 131.2% increase over filings in January 2002 for tax year 2001.

### Year-Over-Year Comparison of Resident Taxpayers

Comparisons of Federal Adjusted Gross Income (FAGI) and tax liability growth between two tax years can be made by using data from taxpayers who have filed for both calendar years and have maintained the same filing status for both years. The Department of Revenue has received 29,307 returns in calendar year 2003 for tax year 2002 from filers who also have returns on record from calendar year 2002 with the same marital status. On average, these filers experienced a 3.3% increase in FAGI and an 2.4% increase in tax liability. More specifically, 30.5% of these filers experienced a decrease in tax liability; on average a decrease of 28.7% with a corresponding average decrease in FAGI of 13.5%. Filers with an increase in tax liability totaled 12,520 or 42.7%, with an average FAGI increase of 17.6% and an average tax liability increase of 32.6%.

### **Average Individual Income Tax Refund**

	Average	Number
2003 CYTD	\$561.38	12,401
2002 CYTD	\$474.37	11,773
% Change	18.3%	5.3%

### **"New" Filers in Calendar Year 2003**

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2003. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 11,782 "new" returns have been filed thus far in 2003, representing approximately 13,569 persons, not including dependents. The average Federal Adjusted Gross Income for these 11,782 returns is \$14,859, with an average tax liability of \$111. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 15.1% had a married filing joint filing status, 1.1% claimed a 65 And Over Exemption and 73.0% claimed dependents.

### **Individual Income Tax Estimated Payments**

Taxpayers are required to make estimated payments if their Arizona gross income will exceed \$75,000, in an amount which will represent unpaid tax liability at the end of the taxpayer's tax year. Total estimated payments paid with form 140ES for tax year 2001 was \$336.5 million, for an average of \$1,480. An additional \$67.7 million in estimated payments came from 2000 tax returns that applied their refunds as a 2001 estimated payment, for an average of \$1,817. Estimated payments received through January 2003 for tax year 2002 were as follows:

01/03	140ES payment	\$38,255,812	Cumulative	\$225,443,301
01/02	140ES payment	\$108,449,439	Cumulative	\$324,775,512
	Percent change	(64.7%)		(30.6%)
01/03	Average payment	\$3,722	Cumulative	\$1,476
01/02	Average payment	\$2,435	Cumulative	\$1,488
	Percent change	52.9%		(0.8%)
01/03	Applied refund	\$606,550	Cumulative	\$73,203,233
01/02	Applied refund	\$388,646	Cumulative	\$65,649,560
	Percent change	36.1%		11.5%
Total 01/03		\$38,862,362	Cumulative	\$298,646,535
Total 01/02		\$114,774	Cumulative	\$404,197,333
	Percent change	N/A		(26.1%)

### **Withholding**

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from January 2001 through March 2002, \$561,268,152 was received for the first quarter of 2001. The latest complete quarter (15 months of information has been compiled) is the fourth quarter of 2001, which shows a decrease of 0.2% in withholding payments over the fourth quarter of 2000. Growth in quarters for which information is still being gathered is as follows:

1 <sup>st</sup> Quarter 2002	(3.0%)	3 <sup>rd</sup> Quarter 2002	(4.8%)
2 <sup>nd</sup> Quarter 2002	(2.6%)	4 <sup>th</sup> Quarter 2002	(2.4%)
		1 <sup>st</sup> Quarter 2003	(11.3%)

The comparisons made above were against the same number of months of collections in the previous year. Effective January 2002, current choices for withholding are 0%, 10%, 18%, 21%, 23%, 29% or 34% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.

### **Property Tax Credits**

Arizona allows a refundable property tax credit for those who are age 65 or older or who received Title 16, SSI payments and pay property tax on a home. To qualify for this credit, household income must be below \$3,751 for individuals that live alone, or \$5,501 for those that live with others. The maximum credit is \$502.

	Number	Amount	Average
Calendar Year 2003	N/A	\$502	\$502.00
Calendar Year 2002	418	\$164,370	\$393.23
% Change	(99.8%)	(99.7%)	27.7%

### **Clean Elections**

As a result of the November 1998 voter approval of the Citizens Clean Elections, Arizona's income taxpayers can make a donation to the Citizens Clean Elections Commission through an income tax check-off or through a voluntary donation. The following is for tax year 2002:

	January 2003	Calendar Year Total
Check Off	\$24,991	\$24,991
Voluntary Donation	\$231	\$231
Number of Returns	4,088	4,088

### **Contributions on the Individual Income Tax Return**

Through January 2003, individual income tax return filers have made the following contributions:

	Number	Amount	Average
Wildlife	31	\$490	\$15.81
Child Abuse	45	\$708	\$15.73
Special Olympics	16	\$252	\$15.75
Neighbors Helping	8	\$61	\$7.63
AID to Education	1	\$12	\$12.00
Domestic Violence Shelter	33	\$512	\$15.52
Democratic Party	2	\$13	\$6.50
Republican Party	2	\$35	\$17.50
Libertarian Party	0	\$0	\$0
Reform Party	0	\$0	\$0
Green Party	0	\$0	\$0
Natural Law	0	\$0	\$0

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## **CORPORATE INCOME TAX**

### **Corporate Income Tax Receipts**

	January 2003	January 2002	% Change
Gross Collections	\$21,054,501	\$18,236,814	15.5
Refunds	(\$8,321,051)	(\$11,675,352)	(28.7)
Net Collections	\$12,733,450	\$6,561,461	94.1

	Fiscal Year Total (02/03)	Fiscal Year Total (01/02)	% Change
Gross Collections	\$246,689,041	\$291,970,912	(15.5)
Refunds	(\$81,987,488)	(\$116,819,533)	(29.8)
Net Collections	\$164,701,553	\$175,151,380	(6.0)

### **Corporate Estimated Payments**

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds \$1,000 and (2) they are required to file federal estimated tax payments.

January 2003	\$14,731,905	Calendar Year Total	\$14,731,905
January 2002	<u>\$10,554,292</u>	Calendar Year Total	<u>\$10,554,292</u>
% Change	39.6%	% Change	39.6%

All corporations with an income tax liability of \$20,000 or greater are required to make their estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment, for January 2003 and for the fiscal year.

Size of Payment ➔	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 up to \$10,000,000	\$10,000,00 0 and more	Total	% chg
January 2003	111	13	10	2	5	0	141	(21.7%)
January 2002	151	13	13	2	1	0	180	
CY 2003	111	13	10	2	5	0	141	(21.7%)
CY 2002	151	13	13	2	1	0	180	

### **Corporate Refunds**

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 01/02 by corporate fiscal year. For example, in FY 01/02, 6.2% of the refund dollars paid were for corporate fiscal years ending in 1997 or before. The percentages are for refunds paid through the fiscal year.

<b>Corporate Fiscal Year-End:</b>	<b>97 &amp; Prior</b>	<b>98</b>	<b>99</b>	<b>00</b>	<b>01</b>	<b>02</b>
FY 01/02	6.2%	3.0%	3.0%	70.4%	17.3%	0.2%
<b>Corporate Fiscal Year-End:</b>	<b>98 &amp; Prior</b>	<b>99</b>	<b>00</b>	<b>01</b>	<b>02</b>	<b>03</b>
FY 02/03	6.4%	5.8%	6.6%	75.6%	5.6%	0.0%

The corporate refunds shown above are those refunds for which a check is mailed to the corporation. Sometimes corporations choose to apply their refund as an estimated payment. The following table present information on refunds applied as estimated payments in the most recent month and for the calendar year.

January 2003	\$5,392,710	Calendar Year Total	\$5,392,710
January 2002	<u>\$16,363,261</u>	Calendar Year Total	<u>\$16,363,261</u>
% Change	(67.0%)	% Change	(67.0%)

### **Corporate Income Tax Document Count**

The Arizona Department of Revenue received 99,009 corporate returns showing a fiscal year-end of 2001. The type of return received is indicated below:

	<b>120 X (amended)</b>	<b>120 (regular)</b>	<b>120S (S corp)</b>	<b>99T (exempt org.)</b>	<b>120 A (short form)</b>
#	330	36,585	50,973	324	10,797
%	0.3	37.0	51.5	0.3	10.9

Through January 2003, 6,602 documents have been received for a fiscal year-end of 2002, distributed as follows:

	<b>120 X (amended)</b>	<b>120 (regular)</b>	<b>120S (S corp)</b>	<b>99T (exempt org.)</b>	<b>120 A (short form)</b>
#	25	4,912	147	56	1,462
%	0.4	74.4	2.2	0.8	22.1

The figures shown above for the 2002 returns are most meaningful when compared to 2001 returns received during the same period of time in the previous year. Through January 2002, the Arizona Department of Revenue received 11,334 documents with a fiscal year-end of 2001. Compared to 2002 documents, this represents a 41.8% decrease in the number of corporate returns received at this point of time in the calendar year.

### **Urban Revenue Sharing Returned to Cities/Towns**

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed during Fiscal Year 2002/03 is 14.8% of net proceeds from Fiscal Year 2001/02 income tax. In addition, 15% of the amount of monies transferred from the Budget Stabilization Fund to the tax refund account of the state general fund is also be used for Urban Revenue Sharing. Amounts returned for January 2003 are shown on Table 2, at the end of this report.

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## **TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES**

### **Transaction Privilege, Severance and Use Tax Receipts**

The Arizona transaction privilege and severance tax consists of many classifications of tax. These classifications include but are not limited to retail, contracting, amusements, restaurants and bars, hotel/motel and mining severance tax. The collections for all such categories are divided, per statute, into two parts. One part is called distribution base; the other part is known as non-shared. The division of collections into these two parts varies from category to category. For example, retail sales tax is 40% distribution base and 60% non-shared. In contrast, contracting is 20% distribution base and 80% non-shared. Use tax is 100% non-shared.

At the close of each month, the computer aggregates transaction privilege and severance tax collections by category and calculates total distribution base and non-shared portions. The amount shown as "Use Tax" in the table below includes use tax, use inventory tax and jet fuel use tax. The "Education Tax" below represents a new category beginning with June 2001 collections. This category is in accordance with prop 301 resulting in an additional 0.6% education tax being added to most business classifications. The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

	<b>January 2003</b>	<b>January 2002</b>	<b>% change</b>
Distribution Base	\$125,472,768	\$120,545,902	4.1
Non shared	232,675,119	224,156,493	3.8
Use Tax	20,584,550	15,989,545	28.7
Education Tax	43,950,339	41,897,607	4.9
Other Revenues	50,475,990	48,447,925	4.2
<b>Total Collections</b>	<b>\$473,158,766</b>	<b>\$451,037,472</b>	<b>4.9</b>

  

	<b>Fiscal Year Total (02/03)</b>	<b>Fiscal Year Total (01/02)</b>	<b>% change</b>
Distribution Base	\$736,974,101	\$726,498,989	1.4
Non shared	1,414,515,055	1,399,061,669	1.1
Use Tax	109,834,830	89,859,588	22.2
Education Tax	263,145,994	258,107,033	2.0
Other Revenues	306,191,738	299,540,388	2.2
<b>Total Collections</b>	<b>\$2,830,661,719</b>	<b>\$2,773,067,666</b>	<b>2.1</b>

### **Distribution of Transaction Privilege, Severance and Use Tax Receipts**

Of the distribution base portion of transaction privilege and severance taxes, described above, 25% is returned to incorporated cities/towns, 40.51% is returned to counties and 34.49% goes to the state general fund with the exception of mining severance tax. All of the non-shared revenue and use tax is deposited into the general fund. Therefore, the "Retained By State" figure presented below includes all non-shared portion of transaction privilege tax, use tax and 34.49% of the distribution base collections. The Education tax is distributed in accordance with prop 301. "Other" revenues are returned to the administering authority.

	<b>January 2003</b>	<b>January 2002</b>	<b>% change</b>
Retained by State	\$296,537,693	\$281,757,548	5.2
Returned to Counties	50,827,493	48,811,358	4.1
Returned to Cities	31,367,251	30,123,034	4.1
Education Tax	43,950,339	41,897,607	4.9
Other	50,475,990	48,447,925	4.2
<b>Total Collections</b>	<b>\$473,158,766</b>	<b>\$451,037,472</b>	<b>4.9</b>

	<b>Fiscal Year Total (02/03)</b>	<b>Fiscal Year Total (01/02)</b>	<b>% change</b>
Retained by State	\$1,778,534,720	\$1,739,491,313	2.2
Returned to Counties	298,546,683	294,304,398	1.4
Returned to Cities	184,242,584	181,624,536	1.4
Education Tax	263,145,994	258,107,033	2.0
Other	306,191,738	299,540,388	2.2
<b>Total Collections</b>	<b>\$2,830,661,719</b>	<b>\$2,773,067,666</b>	<b>2.1</b>

### **Transaction Privilege and Severance Tax Collections By Class**

	<b>Tax Rate</b>	<b>January 2003</b>	<b>% Chg</b>	<b>Fiscal Year Total</b>	<b>% Chg</b>
Transporting/Towing	5.6	\$141,722	(28.4)	\$1,503,559	(3.0)
Non-Metal Mining/Oil & Gas	3.125%	594,681	22.8	5,526,268	45.6
Utilities	5.6%	21,567,589	(2.2)	190,521,257	1.8
Communications	5.6%	14,082,469	11.1	86,719,735	2.3
Railroads/Aircraft	5.6%	82,172	(26.5)	(2,292,161)	N/A
Private Car/Pipelines	5.6%	28,630	9.1	299,530	76.5
Publishing	5.6%	560,254	18.4	3,928,737	137.3
Printing	5.6%	1,362,577	5.7	13,837,235	35.0
Restaurants/Bars	5.6%	28,856,696	4.8	184,834,332	3.7
Amusements	5.6%	3,101,523	4.7	20,913,365	12.1
Commercial Lease	0%	19,251	N/A	(128,237)	N/A
Rental of Personal Property	5.6%	14,648,368	3.0	97,109,537	(7.1)
Contracting	3.75% - 5.6%	54,284,062	3.2	344,640,630	(2.3)
Feed Wholesale	Repealed	198	N/A	(225)	N/A
Retail	5.6%	211,778,646	4.1	1,155,016,669	1.9
Mining Severance	2.5%	141,763	586.7	598,713	202.6
Timber Severance	\$2.13/\$1.51 per 1000 board ft	902	930.1	1,781	N/A
Hotel/Motel	5.5%	6,571,107	13.5	45,392,486	3.1
Membership Camping	5.6%	16,892	3.5	54,004	(9.6)
Use/Use Inventory	5.6%	20,584,550	28.7	109,834,830	22.2
Rental Occupancy Tax	3.0%	(76,921)	N/A	(14,449)	N/A
Jet Fuel Tax	\$.0305/\$.0105 gal	373,450	(4.2)	2,888,166	9.7
Telecommunications Devices:	1.1				
Telecom. Fund for the Deaf	----	584,474	10.6	3,676,593	(2.9)
Poison Control Fund	----	216,175	10.6	1,359,836	(2.9)
911 Wireline/Excise	\$0.37 monthly per activated service	1,217,200	(9.5)	9,028,610	4.9
911 Wireless Service	\$0.37 monthly per activated service	811,661	37.9	5,597,817	48.1
<b>Total</b>		<b>\$381,550,089</b>	<b>5.0</b>	<b>\$2,280,848,616</b>	<b>2.1</b>



The Use/Use Inventory category shown on the previous page includes jet fuel use tax. These collections include only the individual classes of transaction privilege tax, severance tax and use tax. The total does not include license fees or any other fees collected by the Department.

### **Transaction Privilege and Severance Tax Taxable Sales By Class<sup>1</sup>**

	<b>January 2003</b>	<b>% Chg</b>	<b>Fiscal Year Total</b>	<b>% Chg</b>
Transporting/Towing	\$2,834,436	(28.4)	\$30,071,175	(3.0)
Non-Metal Mining/Oil & Gas	19,029,789	22.8	176,840,578	45.6
Utilities	431,351,789	(2.2)	3,810,425,144	1.8
Communications	281,649,371	11.1	1,734,394,691	2.3
Railroads/Aircraft	1,643,431	(26.5)	(45,843,227)	N/A
Private Car/Pipelines	572,602	9.1	5,990,603	76.5
Publishing	11,205,079	18.4	78,574,747	137.3
Printing	27,251,535	5.7	276,744,708	35.0
Restaurants/Bars	577,133,913	4.8	3,696,686,630	3.7
Amusements	62,030,455	4.7	418,267,299	12.1
Commercial Lease	1,774,241	N/A	(10,653,682)	N/A
Rental of Personal Property	292,967,355	3.0	1,942,190,745	(7.1)
Contracting	1,085,683,358	3.2	6,892,814,724	(2.3)
Feed Wholesale	42,252	N/A	(48,055)	N/A
Retail	4,235,572,910	4.1	23,100,333,371	1.9
Mining Severance	5,670,530	586.7	23,948,507	202.6
Timber Severance	0	N/A	0	N/A
Hotel/Motel	119,474,678	13.5	825,317,936	3.1
Membership Camping	337,842	3.5	901,971	(24.5)
Use/Use Inventory	411,588,678	28.7	1,911,254,157	6.7
Rental Occupancy Tax	(2,564,035)	N/A	(481,636)	N/A
<b>Total</b>	<b>\$7,565,250,209</b>	<b>4.9</b>	<b>\$44,867,730,384</b>	<b>1.4</b>

Telecommunications Devices, 911 Excise and 911 Wireless Service classifications previously listed in the collections table, are not elements of calculated taxable income and therefore, are not included in the above table. The Use/Use Inventory category shown above does not include jet fuel use tax. Since the jet fuel use tax is a gallonage tax, this too can not be computed as taxable income. A comparison can be made of gallons of jet fuel on which Arizona jet fuel tax or jet fuel use tax was paid. In January 2003, 12,411,992 gallons of jet fuel were taxed, a (3.9%) increase from the 12,915,344 reported for January 2002. Timber Severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

### **Accounting Credit**

Effective to taxable periods beginning from and after July 1, 1995, a credit equal to one percent of the amount of tax due, up to \$10,000 per calendar year, is allowed to businesses for expenses incurred during the accounting and reporting of Transaction Privilege Tax. The amount of accounting credits claimed in January 2003 was \$1,320,747 a 10.2% increase from the \$1,198,995 claimed in January 2002. Accounting credits claimed-to-date in FY 02/03 equals \$9,046,434 a 0.6% increase from the \$8,996,622 claimed during the same period in FY 01/02.

<sup>1</sup>These Taxable Sales figures are calculated on a per return basis, by taking collections and dividing them by the appropriate tax rate. These figures may not match other Taxable Sales figures calculated on the aggregate.

### **Taxable Sales by SIC Code Range**

The taxable sales by SIC (Standard Industrial Classification) Code ranges are an indicator of business occurring for that type of retail sale. Certain limitations must be understood when using this information.

The Department of Revenue assigns a SIC code to a business based on its primary type of business activity. A grocery store would be assigned a SIC code of 5411. A business that deals primarily with dairy products would have a SIC code of 5451. A problem arises with businesses which derive revenue from multiple business activities. For example, a store like Fry's Market Place might be considered both a grocery store and a department store; however, all revenue would be reported under only one of the two possible codes. In summary, an accurate description of what this information represents would be: "These figures represent taxable retail sales for those businesses which have a primary SIC code falling within one designated range."

If the taxable sales for these ranges were added together, the total would not equal retail taxable sales. This is again due to the primary SIC code assignment. There are businesses making retail sales, which do not have a primary retail SIC code.

<b><u>SIC Code Range</u></b>	<b><u>Description</u></b>	<b><u>January 2002</u></b>	<b><u>January 2002</u></b>	<b><u>% Chg</u></b>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$178,297,579	\$178,347,202	0.0
5311-5399	general merchandise stores	490,933,431	499,321,821	(1.7)
5411-5499	food stores (no food sales)	351,672,928	328,356,839	7.1
5511-5521	motor vehicle dealers	610,365,305	586,291,693	4.1
5531-5599	misc. automotive, motorcycle & boat stores	161,820,736	144,183,853	12.2
5611-5699	apparel & accessory stores	371,994,460	353,094,815	5.4
5712-5733	furniture, home furnishings & equipment stores	208,935,330	193,076,640	8.2
5912-5949	misc. retail stores	395,510,254	393,294,084	0.6
<b>TOTAL</b>		<b>\$4,235,572,910</b>	<b>\$4,070,566,837</b>	<b>4.1</b>

<b><u>SIC Code Range</u></b>	<b><u>Description</u></b>	<b><u>Fiscal Year 2003</u></b>	<b><u>Fiscal Year 2002</u></b>	<b><u>% Chg</u></b>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$1,347,339,505	\$1,265,216,109	6.5
5311-5399	general merchandise stores	1,956,129,583	2,126,809,921	(8.0)
5411-5499	food stores (no food sales)	1,849,416,421	1,752,256,468	5.5
5511-5521	motor vehicle dealers	4,266,045,451	4,466,189,330	(4.5)
5531-5599	misc. automotive, motorcycle & boat stores	1,150,566,245	1,108,425,246	3.8
5611-5699	apparel & accessory stores	1,518,999,665	1,437,122,168	5.7
5712-5733	furniture, home furnishings & equipment stores	1,173,969,320	1,156,083,492	1.5
5912-5949	misc. retail stores	1,588,755,358	1,586,515,324	0.1
<b>TOTAL</b>		<b>\$23,100,333,371</b>	<b>\$22,667,794,836</b>	<b>1.9</b>

### **Transaction Privilege and Severance Tax Returned to Counties**

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for January 2003 is shown in the County Share column.

	<b>Dist. Base Collections</b>	<b>County Share</b>	<b>% of Total</b>	<b>FYTD County Share</b>	<b>% Chg</b>
Apache	\$268,432	\$382,879	0.8	\$2,288,706	1.3
Cochise	2,005,939	951,394	1.9	5,412,092	2.4
Coconino	2,739,664	1,249,561	2.5	8,436,237	3.0
Gila	782,476	396,840	0.8	2,391,294	(1.2)
Graham	391,327	235,685	0.5	1,390,539	0.0
Greenlee	242,572	165,392	0.3	1,024,998	(5.0)
La Paz	252,406	143,039	0.3	857,864	0.7
Maricopa	85,185,681	32,778,465	64.5	191,359,219	0.9
Mohave	2,913,401	1,305,628	2.6	8,093,703	5.6
Navajo	1,619,608	779,562	1.5	5,022,856	4.7
Pima	19,179,090	7,752,880	15.3	45,239,739	1.4
Pinal	2,403,048	1,323,849	2.6	7,611,023	5.7
Santa Cruz	886,312	355,370	0.7	1,953,284	2.6
Yavapai	3,590,698	1,658,315	3.3	9,936,248	2.7
Yuma	3,012,115	1,348,634	2.7	7,528,881	3.4
<b>Total</b>	<b>\$125,472,768</b>	<b>\$50,827,493</b>		<b>\$298,546,683</b>	<b>1.4</b>

### **Transaction Privilege and Severance Tax Returned to Cities/Towns**

The portion of transaction privilege and severance tax returned to each incorporated city or town for January 2003 is shown on Table 3, attached to this report.

### **County Tax Collections**

The following county-imposed tax collections were received by the Department of Revenue during January 2003 and returned to the counties. County taxes in all but Coconino County are imposed at 10% of the state transaction privilege tax rate. Coconino's Excise Tax is 10% of the state rate, and its Jail Tax is 6% of the state rate. The stadium tax was imposed at 5% of the state rate. This rate completed its run in December 1997. Collections received now should be for prior periods. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

	<b>Road Tax</b>	<b>Excise Tax</b>	<b>Jail Tax</b>	<b>Rental Car Surcharge</b>	<b>Stadium Tax</b>	<b>RV Surcharge</b>	<b>Hospital Tax/Health SVCS Dist</b>	<b>Capitol Projects</b>	<b>Tourism Authority</b>
Apache		\$96,421							
Cochise		\$578,923							
Coconino		\$788,137	\$476,180					\$132	
Gila	\$247,467	\$233,330							
Graham		\$111,857							
Greenlee		\$59,125							
La Paz		\$73,277	\$73,263				\$15,442		
Maricopa	\$26,832,437		\$9,589,185	\$348,021	\$17,569				\$1,106,204
Mohave		\$417,319							
Navajo		\$462,650							
Pima				\$106,004		\$24,322			
Pinal	\$791,298	\$763,305							
Santa Cruz		\$239,992							
Yavapai		\$1,066,715	\$424,378						
Yuma		\$852,975	\$852,504					\$845,790	

## OTHER TAXES

### Luxury Taxes

The following revenues were received from luxury taxes in January 2003. The table compares the receipts to January 2002 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

	<b>January 2003</b>	<b>January 2002</b>	<b>% Change</b>
Spirituos	\$2,485,117	\$2,296,187	8.2
Vinous	965,827	925,940	4.3
Malt	1,684,216	1,850,484	(9.0)
Cigarette	12,192,320	12,076,182	1.0
Other Tobacco	577,528	301,392	91.6
Tobacco Licenses	275	400	(31.3)
<b>Total</b>	<b>\$17,905,282</b>	<b>\$17,450,584</b>	<b>2.6</b>

  

	<b>Fiscal Year Total (02/03)</b>	<b>Fiscal Year Total (01/02)</b>	<b>% Change</b>
Spirituos	\$12,813,286	\$12,610,334	1.6
Vinous	5,469,834	5,265,160	3.9
Malt	12,776,517	12,739,552	0.3
Cigarette*	108,064,559	89,395,664	20.9
Other Tobacco	2,626,066	2,098,763	25.1
Tobacco Licenses	2,525	2,175	16.1
<b>Total</b>	<b>\$141,752,787</b>	<b>\$122,111,648</b>	<b>16.1</b>

\*Through January 2003, \$408,400 of Cigarette and Tobacco tax collections has been allocated for administrative expenses and is not reflected in fiscal year collections.

### **General Fund revenues from luxury taxes:**

	<b>January 2003</b>	<b>FY (02/03)</b>
Spirituos	\$1,739,582	\$8,969,300
Vinous	240,518	1,363,688
Malt	421,054	3,194,129
Cigarette	1,435,164	27,040,409
Other Tobacco	89,517	407,040
Tobacco Licenses	275	2,525
<b>Total</b>	<b>\$3,926,110</b>	<b>\$40,977,091</b>

### **Other dedicated revenues from luxury taxes:**

	<b>January 2003</b>	<b>FY (02/03)</b>
Correction Fund revenues	\$2,089,081	\$15,465,381
Tobacco Tax & Health Care Fund <sup>2</sup>	4,325,672	68,902,919
Tobacco Products Tax Fund <sup>3</sup>	6,650,582	10,546,769
Wine Promotional Fund revenues	3,753	15,082
Drug Treatment & Education Fund revenues	650,290	4,178,559
Corrections Revolving Fund revenues	259,794	1,660,587

<sup>2</sup> Formerly the Health Care Fund

<sup>3</sup> This Fund was created by Prop. 303, which increased cigarette & other tobacco products tax rates in November 2002.

**Estate Tax**

	January 2003	\$30,706,161		Fiscal year To Date	\$65,641,613
	January 2002	<u>\$8,922,255</u>		Fiscal year To Date	<u>\$60,208,764</u>
% Change		244.2%		% Change	9.0%

**Private Car**

	January 2003	\$0		Fiscal year To Date	\$1,481,692
	January 2002	<u>\$2,290</u>		Fiscal year To Date	<u>\$1,509,545</u>
% Change		N/A		% Change	(1.8)

**Bingo**

	January 2003	\$76,819		Fiscal year To Date	\$378,969
	January 2002	<u>\$77,220</u>		Fiscal year To Date	<u>\$390,217</u>
% Change		(0.5%)		% Change	(2.9%)

**Unclaimed Property**

	January 2003	\$140,975		Fiscal year To Date	\$25,251,508
	January 2002	<u>\$731,889</u>		Fiscal year To Date	<u>\$30,482,138</u>
% Change		(80.7%)		% Change	(17.2%)

Please note that some totals throughout Tax Facts may not add due to rounding.

SOURCE: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS, ARIZONA DEPARTMENT OF REVENUE

**TABLE 1**  
**“New” Returns Filed in 2003 for Tax Year 2002**  
**Through January 2003**

Federal Adjusted Gross Income Bracket	Number of Returns	% of Total	Average FAGI	Average Tax Due	CHARACTERISTICS OF TAXPAYERS					
					% Married Joint	% Single	% Unmarried Head	% Married Separate	% Over 65	% With Dependents
Negative FAGI	*	*	*	*	*	*	*	*	*	*
<b>\$0-\$5,000</b>	<b>1,807</b>	<b>15.3%</b>	<b>\$3,187</b>	<b>\$0</b>	<b>4.5%</b>	<b>51.4%</b>	<b>44.1%</b>	<b>0.0%</b>	<b>0.7%</b>	<b>60.5%</b>
\$5,000-\$10,000	3,032	25.7%	\$7,462	\$12	7.7%	43.4%	48.7%	0.1%	0.9%	64.3%
<b>\$10,000-\$15,000</b>	<b>2,366</b>	<b>20.1%</b>	<b>\$12,361</b>	<b>\$31</b>	<b>12.0%</b>	<b>22.9%</b>	<b>65.0%</b>	<b>0.0%</b>	<b>1.2%</b>	<b>80.9%</b>
\$15,000-\$20,000	1,937	16.4%	\$17,392	\$76	16.4%	16.0%	67.5%	0.1%	1.2%	83.6%
<b>\$20,000-\$25,000</b>	<b>1,163</b>	<b>9.9%</b>	<b>\$22,331</b>	<b>\$165</b>	<b>26.5%</b>	<b>14.9%</b>	<b>58.4%</b>	<b>0.3%</b>	<b>1.4%</b>	<b>84.4%</b>
\$25,000-\$30,000	500	4.2%	\$27,254	\$299	26.2%	23.4%	50.0%	0.4%	0.6%	75.8%
<b>\$30,000-\$40,000</b>	<b>531</b>	<b>4.5%</b>	<b>\$34,284</b>	<b>\$478</b>	<b>32.8%</b>	<b>30.3%</b>	<b>36.9%</b>	<b>0.0%</b>	<b>0.8%</b>	<b>65.2%</b>
\$40,000-\$50,000	200	1.7%	\$44,322	\$692	41.5%	23.5%	35.0%	0.0%	0.5%	71.5%
<b>\$50,000-\$75,000</b>	<b>177</b>	<b>1.5%</b>	<b>\$60,285</b>	<b>\$1,045</b>	<b>60.6%</b>	<b>13.9%</b>	<b>25.0%</b>	<b>0.6%</b>	<b>2.2%</b>	<b>75.6%</b>
\$75,000-\$100,000	39	0.3%	\$85,005	\$1,481	74.4%	12.8%	12.8%	0.0%	5.1%	61.5%
<b>\$100,000-\$200,000</b>	<b>22</b>	<b>0.2%</b>	<b>\$120,451</b>	<b>\$2,937</b>	<b>65.4%</b>	<b>23.1%</b>	<b>7.7%</b>	<b>3.8%</b>	<b>3.8%</b>	<b>42.3%</b>
\$200,000-\$500,000	*	*	*	*	*	*	*	*	*	*
<b>\$500,000-\$1,000,000</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>
\$1,000,000 and over	*	*	*	*	*	*	*	*	*	*
<b>Total</b>	<b>11,782</b>		<b>\$14,859</b>	<b>\$111</b>	<b>15.1%</b>	<b>30.8%</b>	<b>54.0%</b>	<b>0.1%</b>	<b>1.1%</b>	<b>73.0%</b>

\* An asterisked line indicates that the information can not be released due to confidentiality laws.

**NEW RETURNS FILED IN 2002 FOR TAX YEAR 2001**

<b>Total</b>	<b>233,775</b>	<b>\$19,905</b>	<b>\$332</b>	<b>20.5%</b>	<b>57.1%</b>	<b>20.2%</b>	<b>2.2%</b>	<b>7.9%</b>	<b>34.3%</b>
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“NEW” Returns means that there was no return filed by the taxpayer in the previous filing year. This may or may not mean the filer is new to the state.

**TABLE 2**  
**Urban Revenue Sharing Returned to Cities/Towns**  
**January 2003**

<b>City</b>	<b>Distribution</b>	<b>Population</b>	<b>City</b>	<b>Distribution</b>	<b>Population</b>
<b><u>Apache County</u></b>			Scottsdale	\$1,798,117	202,705
Eagar	\$35,775	4,033	Surprise	273,641	30,848
Springerville	17,493	1,972	Tempe	1,407,101	158,625
St. Johns	28,998	3,269	Tolleson	44,122	4,974
<b><u>Cochise County</u></b>			Wickenburg	45,080	5,082
Benson	41,789	4,711	Youngtown	26,701	3,010
Bisbee	54,022	6,090	<b><u>Mohave County</u></b>		
Douglas	126,956	14,312	Bullhead City	299,552	33,769
Huachuca City	15,532	1,751	Colorado City	29,575	3,334
Sierra Vista	335,087	37,775	Kingman	178,024	20,069
Tombstone	13,341	1,504	Lake Havasu City	372,016	41,938
Willcox	33,114	3,733	<b><u>Navajo County</u></b>		
<b><u>Coconino County</u></b>			Holbrook	43,617	4,917
Flagstaff	469,202	52,894	Pinetop-Lakeside	31,775	3,582
Fredonia	9,190	1,036	Show Low	68,259	7,695
Page	60,400	6,809	Snowflake	39,563	4,460
Williams	25,210	2,842	Taylor	28,173	3,176
<b><u>Gila County</u></b>			Winslow	84,448	9,520
Globe	66,405	7,486	<b><u>Pima County</u></b>		
Hayden	7,913	892	Marana	120,250	13,556
Miami	17,174	1,936	Oro Valley	263,457	29,700
Payson	120,818	13,620	Sahuarita	28,759	3,242
Winkelman	3,930	443	South Tucson	48,700	5,490
<b><u>Graham County</u></b>			Tucson	4,317,318	486,699
Pima	17,644	1,989	<b><u>Pinal County</u></b>		
Safford	81,893	9,232	Apache Junction	282,210	31,814
Thatcher	35,678	4,022	Casa Grande	223,752	25,224
<b><u>Greenlee County</u></b>			Coolidge	69,067	7,786
Clifton	23,028	2,596	Eloy	92,033	10,375
Duncan	7,203	812	Florence	128,322	14,446
<b><u>La Paz County</u></b>			Kearny	19,950	2,249
Parker	27,854	3,140	Mammoth	15,630	1,762
Quartzsite	29,752	3,354	Superior	28,865	3,254
<b><u>Maricopa County</u></b>			<b><u>Santa Cruz County</u></b>		
Avondale	318,304	35,883	Nogales	185,201	20,878
Buckeye	75,374	8,497	Patagonia	7,815	881
Carefree	25,964	2,927	<b><u>Yavapai County</u></b>		
Cave Creek	33,070	3,728	Camp Verde	83,836	9,451
Chandler	1,566,381	176,581	Chino Valley	69,501	7,835
El Mirage	67,496	7,609	Clarkdale	30,355	3,422
Fountain Hills	179,497	20,235	Cottonwood	81,423	9,179
Gila Bend	17,564	1,980	Jerome	2,918	329
Gilbert	973,079	109,697	Prescott	301,051	33,938
Glendale	1,940,996	218,812	Prescott Valley	208,770	23,535
Goodyear	167,752	18,911	Sedona	90,409	10,192
Guadalupe	46,376	5,228	<b><u>Yuma County</u></b>		
Litchfield Park	33,797	3,810	San Luis	135,916	15,322
Mesa	3,516,089	396,375	Somerton	64,454	7,266
Paradise Valley	121,208	13,664	Wellton	16,224	1,829
Peoria	961,255	108,364	Yuma	687,605	77,515
Phoenix	11,718,477	1,321,045			
Queen Creek	38,286	4,316	<b>TOTAL</b>	<b>\$35,879,921</b>	<b>4,044,808</b>

**TABLE 3**  
**Transaction Privilege and Severance Tax Returned to Cities/Towns**  
**January 2003**

City	Distribution	Population	City	Distribution	Population
<b><u>Apache County</u></b>			Scottsdale	\$1,571,965	202,705
Eagar	\$31,276	4,033	Surprise	239,224	30,848
Springerville	15,293	1,972	Tempe	1,230,128	158,625
St. Johns	25,351	3,269	Tolleson	38,573	4,974
<b><u>Cochise County</u></b>			Wickenburg	39,411	5,082
Benson	36,534	4,711	Youngtown	23,342	3,010
Bisbee	47,228	6,090	<b><u>Mohave County</u></b>		
Douglas	110,989	14,312	Bullhead City	261,877	33,769
Huachuca City	13,579	1,751	Colorado City	25,855	3,334
Sierra Vista	292,943	37,775	Kingman	155,634	20,069
Tombstone	11,663	1,504	Lake Havasu City	325,227	41,938
Willcox	28,949	3,733	<b><u>Navajo County</u></b>		
<b><u>Coconino County</u></b>			Holbrook	38,131	4,917
Flagstaff	410,190	52,894	Pinetop/Lakeside	27,778	3,582
Fredonia	8,034	1,036	Show Low	59,674	7,695
Page	52,803	6,809	Snowflake	34,587	4,460
Williams	22,040	2,842	Taylor	24,630	3,176
<b><u>Gila County</u></b>			Winslow	73,827	9,520
Globe	58,053	7,486	<b><u>Pima County</u></b>		
Hayden	6,917	892	Marana	105,126	13,556
Miami	15,014	1,936	Oro Valley	230,322	29,700
Payson	105,622	13,620	Sahuarita	25,142	3,242
Winkelman	3,435	443	South Tucson	42,575	5,490
<b><u>Graham County</u></b>			Tucson	3,774,322	486,699
Pima	15,425	1,989	<b><u>Pinal County</u></b>		
Safford	71,594	9,232	Apache Junction	246,716	31,814
Thatcher	31,190	4,022	Casa Grande	195,611	25,224
<b><u>Greenlee County</u></b>			Coolidge	60,380	7,786
Clifton	20,132	2,596	Eloy	80,458	10,375
Duncan	6,297	812	Florence	112,183	14,446
<b><u>La Paz County</u></b>			Kearny	17,441	2,249
Parker	24,351	3,140	Mammoth	13,664	1,762
Quartzsite	26,010	3,354	Superior	25,235	3,254
<b><u>Maricopa County</u></b>			<b><u>Santa Cruz County</u></b>		
Avondale	278,271	35,883	Nogales	161,908	20,878
Buckeye	65,894	8,497	Patagonia	6,832	881
Carefree	22,699	2,927	<b><u>Yavapai County</u></b>		
Cave Creek	28,910	3,728	Camp Verde	73,292	9,451
Chandler	1,369,375	176,581	Chino Valley	60,760	7,835
El Mirage	59,007	7,609	Clarkdale	26,537	3,422
Fountain Hills	156,921	20,235	Cottonwood	71,182	9,179
Gila Bend	15,355	1,980	Jerome	2,551	329
Gilbert	850,694	109,697	Prescott	263,187	33,938
Glendale	1,696,874	218,812	Prescott Valley	182,513	23,535
Goodyear	146,654	18,911	Sedona	79,038	10,192
Guadalupe	40,543	5,228	<b><u>Yuma County</u></b>		
Litchfield Park	29,546	3,810	San Luis	118,821	15,322
Mesa	3,073,865	396,375	Somerton	56,347	7,266
Paradise Valley	105,964	13,664	Wellton	14,184	1,829
Peoria	840,357	108,364	Yuma	601,124	77,515
Phoenix	10,244,627	1,321,045	<b>TOTAL</b>	<b>\$31,367,251</b>	<b>4,044,808</b>
Queen Creek	33,470	4,316			



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